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## PART 13

### SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES

#### 13.000 Scope of part.

This part prescribes policies and procedures for the acquisition of supplies, nonpersonal services, and construction from commercial sources, the aggregate amount of which does not exceed—

- (a) \$10,000 for civil agencies (i.e., agencies subject to Title 41 U.S.C. 252(c)(3)); or
- (b) \$25,000 for defense agencies subject to Title 10 U.S.C. 2304 (a)(3).

#### SUBPART 13.1—GENERAL

##### 13.101 Definitions.

“Bulk funding” means a system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specified period of time rather than obtaining individual obligational authority on each purchase document.

“Delivery Order,” as used in this part, means an order for supplies or services placed against an established contract or with Government sources of supply.

“Purchase Order,” as used in this part, means an offer by the Government to buy certain supplies or nonpersonal services and construction from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the small purchase limit. The Optional Form 347, Order for Supplies or Services, is designed for this purpose.

“Small purchase” means an acquisition of supplies, nonpersonal services, and construction in the amount of \$10,000 or less for civilian agencies and \$25,000 or less for defense agencies, using the procedures prescribed in this part.

“Small purchase procedures” means the methods prescribed in this part for making small purchases using imprest funds, purchase orders, and blanket purchase agreements. The term excludes—

- (a) Requirements obtained through the use of Delivery Orders;
- (b) Contracts with the Small Business Administration (SBA) under Section 8(a) of the Small Business Act (see Part 19); and
- (c) Contracts awarded through (1) formal advertising (see Part 14), (2) the negotiation procedures in Part 15,

or (3) small business or labor surplus area set-asides (see Part 19 and 20), other than small business-small purchase set-asides prescribed in 13.105.

##### 13.102 Purpose.

The purpose of this part is to prescribe simplified procedures for small purchases in order to (1) reduce administrative costs and (2) improve opportunities for small business concerns and small disadvantaged business concerns to obtain a fair proportion of Government contracts.

##### 13.103 Policy.

(a) The procedures prescribed in this part shall be used to the maximum extent practicable for all purchases of supplies or services not exceeding the small purchase limitation unless requirements can be met by using required sources of supply (see Part 8).

(b) Small purchase procedures shall not be used in the acquisition of supplies and services initially estimated to exceed the small purchase limitation even though resulting awards do not exceed that limit. Requirements aggregating more than the small purchase dollar limitation shall not be broken down into several purchases that are less than the limit merely to permit negotiation under small purchase procedures.

##### 13.104 Procedures.

(a) All purchases covered by this part shall be made by negotiation and shall cite the appropriate negotiation authority (see Subpart 15.2). Contracting officers shall use the small purchase procedure that is most suitable, efficient, and economical in the circumstances of each acquisition. Contracting officers may use the procedures in this part in acquisitions from Government supply sources (see Part 8), if their use is authorized by the basic contract or concurred in by the source.

(b) Related items (such as small hardware items or spare parts for vehicles) may be included in one solicitation and the award made on an “all-or-none” basis if suppliers are so advised when quotations are requested.

(c) Agencies shall use bulk funding to the maximum extent practicable to reduce processing time, handling, and documentation. Bulk funding is particularly appropriate if numerous purchases using the same type of funds are to be made during a given period.

(d) Agencies shall inspect items or services acquired under small purchase procedures as prescribed in 46.404.

**13.105****FEDERAL ACQUISITION REGULATION (FAR)**

(e) Agencies shall use United States-owned foreign currency, if appropriate, in making payments for small purchases (see Subpart 25.3).

(f) This part does not preclude using (1) Standard Form 1442, Solicitation, Offer and Award (Construction, Alteration, or Repair), for construction contracts (see 36.701(b)) or (2) negotiated two-party contracts (see Part 15), for acquisitions not exceeding the small purchase limitation.

**13.105 Small business-small purchase set-asides.**

(a) Except as provided in paragraphs (b), (c), and (d) below, each acquisition of supplies or services that has an anticipated dollar value of \$10,000 or less and is subject to small purchase procedures, shall be reserved exclusively for small business concerns. This shall be accomplished by using the category of set-asides established by Pub. L. 95-507, specifically for small purchases, identified as small business-small purchase set-asides.

(b) The requirements of this section 13.105 apply only to purchases in the United States, its territories and possessions, Puerto Rico, and the Trust Territory of the Pacific Islands (see 19.000(b)). Foreign concerns shall not be solicited or awarded acquisitions reserved for small business concerns.

(c) The requirement for small business-small purchase set-asides does not affect the responsibility of agencies to make purchases from required sources of supply, such as Federal Prison Industries, Industries for the Blind and Other Severely Handicapped, and mandatory multiple-award Federal Supply Schedule contracts.

(d) (1) Each written solicitation under a small business-small purchase set-aside shall contain the provision at 52.219-4, Notice of Small Business-Small Purchase Set-Aside. If the solicitation is oral, however, information substantially identical to that which is in the provision shall be given to potential quoters.

(2) If the contracting officer determines there is no reasonable expectation of obtaining quotations from two or more responsible small business concerns (or at least one if the purchase does not exceed the dollar threshold, prescribed in 13.106, for obtaining competition and price reasonableness) that will be competitive in terms of market price, quality, and delivery, the contracting officer need not proceed with the small business-small purchase set-aside and may purchase on an unrestricted basis.

(3) If the contracting officer proceeds with the small business-small purchase set-aside and receives a quotation from only one responsible small business concern at a reasonable price (see 13.106(c)), the contracting officer shall make an award to that concern. However, if the contracting officer does not receive a reasonable quotation from a responsible small business concern, the contracting officer may

cancel the small business- small purchase set-aside and complete the purchase on an unrestricted basis.

(4) When proceeding under 13.105(d)(1) or (3), the contracting officer shall ascertain the availability of small business suppliers by telephone or other informal means (see 13.106(b)(4)).

(5) If the purchase is on an unrestricted basis under 13.105(d)(2), the contracting officer shall document in the file the reason for the unrestricted purchase.

(e) Policy concerning nonmanufacturers under small business-small purchase set-asides is prescribed in 19.501(f)(2).

**13.106 Competition and price reasonableness.**

(a) *Purchases not over \$1,000.* (1) Purchases not exceeding this limit may be made without securing competitive quotations if the contracting officer considers the prices to be reasonable.

(2) Such purchases shall be distributed equitably among qualified suppliers.

(3) If practical, a quotation shall be solicited from other than the previous supplier before placing a repeat order.

(4) The administrative cost of verifying the reasonableness of the price of purchases not exceeding \$1,000 may more than offset potential savings from detecting instances of overpricing. Therefore, action to verify price reasonableness need be taken only when—

(i) The buyer or contracting officer suspects or has information (e.g., comparison to previous prices paid or personal knowledge of the item involved) to indicate that the price may not be reasonable; or

(ii) Purchasing an item for which no comparable pricing information is readily available (e.g., an item that is not the same as, or is not similar to, other items that have been recently purchased on a competitive basis).

(b) *Purchases over \$1,000.* (1) Contracting officers shall solicit quotations from a reasonable number of qualified sources to ensure that the purchase is advantageous to the Government, price and other factors considered, including the administrative cost of the purchase. See Part 5 for requirements regarding publicizing contract actions. Solicitations may be limited to one source if the contracting officer determines that only one source is reasonably available; e.g., if the requirement is for (i) utility services available only from one source, or (ii) educational services available only from an educational or nonprofit institution and for which it is impractical to obtain competition.

(2) Generally, quotations should be solicited orally except that written solicitations shall be used for construction contracts over \$2,000. Written solicitations should be used when—

(i) A large number of line items is included in a single proposed acquisition;

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13.106

(ii) Obtaining oral quotations is not considered economical or practical;

(iii) Special specifications are involved; e.g., the product is different from that normally or previously purchased; or

(iv) The suppliers are located outside the local trade area.

(3) Reasonable competition for small purchases ordinarily can be obtained without soliciting quotations from sources outside the trade area in which the purchasing office is located. Contracting officers shall not limit solicitations to suppliers of well known and widely distributed makes or brands, nor shall quotations be solicited on a personal preference basis. New supply sources, disclosed through trade journals or other media, shall be continuously reviewed and, if appropriate, added to the list of available sources.

(4) (i) Unless exempted from this requirement by the head of the contracting activity, each contracting office shall maintain a small purchase source list (or lists, if more convenient) and shall record on the list the status of each source (when the status is made known to the contracting office) in the following categories:

(A) Small business.

(B) Small disadvantaged business.

(C) Certified in a labor surplus area.

(ii) The status information shall be used to ensure that small business concerns are given opportunities to submit quotations in response to small purchase solicitations. The names of additional concerns may be obtained from the Small and Disadvantaged Business Utilization Specialist who, in turn, may request support from the SBA Procurement Center Representative or other Federal and private sources which maintain lists of small business concerns. (See Subpart 19.1 for pertinent definitions.)

(5) Generally, solicitation should be limited to three suppliers. If practicable, two sources not included in the previous solicitation should be requested to furnish quotations.

(6) The following factors influence the number of quotations required in connection with any particular purchase:

(i) The nature of the article or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or is relatively noncompetitive.

(ii) Information obtained in making recent purchases of the same or similar item.

(iii) The urgency of the proposed purchase.

(iv) The dollar value of the proposed purchase.

(v) Past experience concerning specific dealers' prices.

(7) If suppliers furnish standing price quotations on supplies or services required on an intermittent and recurring basis, the information may be used in lieu

of obtaining individual quotations each time a purchase is contemplated. The buyer shall ensure that the price information is current and that the Government obtains the benefit of maximum discounts.

(8) Occasionally an item can be obtained only from a supplier who quotes a minimum order price or quantity that either unreasonably exceeds stated quantity requirements or results in an unreasonable price for the quantities required. In these instances, the contracting officer should inform the requiring activity of all facts regarding the quotation and request it to confirm or alter its requirement. The file shall be documented to support the final action taken.

(9) Notification to unsuccessful suppliers shall be given only if requested.

(c) *Data to support small purchases over \$1,000.* (1) The determination that a proposed price is reasonable should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement shall be included in the contract file giving the basis of the determination of fair and reasonable price. The determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, the contracting officer's personal knowledge of the item being purchased, or any other reasonable basis. In any case, the contracting officer should gain as much knowledge as practicable of the physical and material characteristics and intended use of the item to be purchased as an aid to determine price reasonableness.

(2) If only one source is solicited, an additional notation shall be made to explain the absence of competition, except for acquisition of utility services available only from one source or of educational services from nonprofit institutions.

(3) The following illustrate the extent to which quotation information should be recorded:

(i) *Oral solicitations.* The contracting office shall establish and maintain informal records of oral price quotations in order to reflect clearly the propriety of placing the order at the price paid with the supplier concerned. In most cases, this will consist merely of showing the names of the suppliers contacted and the prices and other terms and conditions quoted by each. Handwritten notations on the purchase requisition are satisfactory for this purpose.

(ii) *Written solicitations.* Written records of solicitations may be limited to notes or abstracts to show prices, delivery, references to printed price lists used, the vendor or vendors contacted, and other pertinent data.

**13.107****FEDERAL ACQUISITION REGULATION (FAR)**

(4) Purchasing offices shall retain data supporting small purchases to the minimum extent and duration necessary for management review purposes. (See Subpart 4.8, Contract Files.)

**13.107 Solicitation and evaluation of quotations.**

(a) *Forms.* (1) Except when quotations are solicited orally, Standard Form 18, Request for Quotations (illustrated in 53.301-18), is designed for use in obtaining price, delivery, and related information from suppliers.

(2) Standard Form 18 is available for use by all agencies, and shall be used when using the form is considered economical and efficient for obtaining written quotations for small purchases.

(3) Standard Form 36, Continuation Sheet, may be used with Standard Form 18 when additional space is needed.

(4) If Standard Form 18 is not used for written solicitations, contracting officers may request quotations using an agency-designed form, an agency-approved automated format, or teletype.

(5) Each agency-designed request for quotations form shall conform with Standard Form 18, insofar as practical.

(6) When using a teletype for transmission of a request for quotations, the provisions and clauses applicable to the solicitation shall be incorporated by reference.

(b) *Discounts.* Consistent with the applicable principles in 14.407-3, contracting officers shall make every effort to obtain trade and prompt payment discounts. However, prompt payment discounts shall not be considered in the evaluation of quotations.

(c) *Transportation charges.* Contracting officers shall evaluate quotations inclusive of transportation charges from the shipping point of the supplier to the delivery destination.

**13.108 Legal effect of quotations.**

(a) A quotation is not an offer and, consequently, cannot be accepted by the Government to form a binding contract (see 15.402(e)). Therefore, issuance by the Government of an order for supplies or services in response to a supplier's quotation does not establish a contract. The order is an offer by the Government to the supplier to buy certain supplies or services upon specified terms and conditions. A contract comes into being when the supplier accepts the offer.

(b) When appropriate, the contracting officer may request the supplier to indicate acceptance of an order by notification to the Government, preferably in writing. In other circumstances, the supplier may indicate acceptance by furnishing the supplies or services ordered or by proceeding with the work to the point where substantial performance has occurred.

(c) If the Government issues an order resulting from a quotation, the Government may (by written notice to the supplier, at any time before acceptance occurs) withdraw, amend, or cancel its offer. (See 13.504 for

procedures on termination or cancellation of purchase orders.)

**13.109 Agency use of indefinite delivery contracts.**

Small purchase costs and processing time may be reduced through the use of indefinite delivery contracts (see Subpart 16.5) that permit delivery orders to be placed by several contracting or ordering offices in one or more executive agencies. Therefore, contracting offices are encouraged to seek opportunities to cooperate with each other to achieve small purchase efficiency and economy through the use of indefinite delivery contracts.

**SUBPART 13.2—BLANKET PURCHASE AGREEMENTS****13.201 General.**

(a) A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply (see Subpart 16.7 for additional coverage of agreements).

(b) BPA's are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents.

(c) BPA's should be established at the appropriate level responsible for providing supplies for its own operations or for other offices, installations, projects, or functions. Such levels, for example, may be organized supply points, separate independent or detached field parties, or one-person posts or activities.

(d) The use of BPA's does not exempt the agency from responsibility for keeping obligations and expenditures within available funds, but this should be done by using simplified methods and by avoiding formal fiscal recording of individual deliveries and transactions.

**13.202 Reserved.****13.203 Establishment of Blanket Purchase Agreements.****13.203-1 General.**

(a) The following are circumstances under which contracting officers may establish BPA's:

(1) If there is a wide variety of items in a broad class of goods (e.g., hardware) that are generally purchased but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably.

(2) If there is a need to provide commercial sources of supply for one or more offices or projects in a given area that do not have or need authority to purchase otherwise.

(3) In any other case in which the writing of numerous purchase orders can be avoided through the use of this procedure.

(b) A BPA may be established without a purchase requisition or a commitment of funds.

(c) To reduce the possibility of dormant funds and to increase flexibility in the use of any given BPA, con-

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tracting officers generally should not cite accounting and appropriation data in BPA's (but see 13.204(e)(4)).

(d) BPA's should be made with firms from which numerous individual purchases will likely be made in a given period. For example, if past experience has shown that certain firms are dependable and consistently lower in price than other firms dealing in the same commodities, and if numerous small purchases are usually made from such suppliers, it would be advantageous to establish BPA's with those firms.

(e) To the extent practical, BPA's for items of the same type should be placed concurrently with more than one supplier. All competitive sources should be given an equal opportunity to furnish supplies or services under BPA's.

(f) BPA's may also be established with Federal Supply Schedule contractors (see Subpart 8.4) and ADTS Schedule contractors (see Part 39), if not inconsistent with the terms of the applicable schedule contract.

(g) If it is determined that BPA's would be advantageous, suppliers should be contacted to make the necessary arrangements for securing maximum discounts, documenting the individual purchase transactions, periodic billing, and other necessary details.

(h) A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish.

(i) BPA's shall be prepared and issued on any agency-authorized purchase order form.

(j) BPA's shall contain the following terms and conditions:

(1) *Description of agreement.* A statement that the supplier shall furnish supplies or services, described in general terms, if and when requested by the contracting officer (or the authorized representative of the contracting officer) during a specified period and within a stipulated aggregate amount, if any.

(2) *Extent of obligation.* A statement that the Government is obligated only to the extent of authorized purchases actually made under the BPA.

(3) *Pricing.* A statement that the prices to the Government shall be as low or lower than those charged the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment.

(4) *Purchase limitation.* A statement that specifies the dollar limitation for each individual purchase under the BPA (see 13.204(b)).

(5) *Notice of individuals authorized to purchase under the BPA and dollar limitations.* A statement that a list of names of individuals authorized to purchase under the BPA, identified by organizational component, and the dollar limitation per purchase for each individual shall be furnished to the supplier by the contracting officer.

(6) *Delivery tickets.* A requirement that all shipments under the agreement, except subscriptions and other charges for newspapers, magazines, or other periodicals, shall be accompanied by delivery tickets or sales slips which shall contain the following minimum information:

(i) Name of supplier.

(ii) BPA number.

(iii) Date of purchase.

(iv) Purchase number.

(v) Itemized list of supplies or services furnished.

(vi) Quantity, unit price, and extension of each item, less applicable discounts (unit prices and extensions need not be shown when incompatible with the use of automated systems; *provided*, that the invoice is itemized to show this information).

(vii) Date of delivery or shipment.

(7) *Invoices.* One of the following statements (except that statement (iii) should not be used if the accumulation of the individual invoices by the Government materially increases the administrative costs of this purchase method):

(i) A summary invoice shall be submitted at least monthly or upon expiration of this BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets covered therein, stating their total dollar value, and supported by received copies of the delivery tickets.

(ii) An itemized invoice shall be submitted at least monthly or upon expiration of this BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets.

(iii) When billing procedures provide for an individual invoice for each delivery, these invoices shall be accumulated; *provided*, that—

(A) A consolidated payment will be made for each specified period; and

(B) The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later.

(iv) An invoice for subscriptions or other charges for newspapers, magazines, or other periodicals shall show the starting and ending dates and shall state either that ordered subscriptions have been placed in effect or will be placed in effect upon receipt of payment.

(k) BPA's in which the fast payment procedure is used shall include the requirements stated under 13.303(b).

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**FEDERAL ACQUISITION REGULATION (FAR)****13.203-2 Clauses.**

(a) The contracting officer shall insert in each BPA the clauses prescribed elsewhere in the FAR that are required for or applicable to the particular BPA.

(b) Unless a clause prescription specifies otherwise, (e.g., see 22.305(a)(1), 22.605(a)(5), or 22.1006), if the prescription includes a dollar threshold, the amount to be compared to that threshold is that of any particular order under the BPA.

**13.204 Purchases under Blanket Purchase Agreements.**

(a) The use of a BPA does not authorize purchases that are not otherwise authorized by law or regulation. For example, the blanket purchase agreement, being a method of simplifying the making of individual small purchases, shall not be used to avoid the small purchase limitation.

(b) Unless otherwise specified in agency regulations, individual purchases under BPA's shall not exceed the dollar limitation for small purchases (see 13.103).

(c) The existence of a BPA does not justify sole source purchasing or avoiding small business-small purchase set-asides. The requirements of 13.106 and 13.107 also apply to each order under a BPA.

(d) If there is an insufficient number of BPA's to ensure adequate competition for a particular purchase, the contracting officer shall—

(1) Solicit quotations from other sources and make the purchase as appropriate; and

(2) Establish additional BPA's to facilitate future purchases if (i) recurring requirements for the same or similar items or services seem likely, (ii) qualified sources are willing to accept BPA's, and (iii) it is otherwise practical to do so.

(e) Documentation of purchases under BPA's shall be limited to essential information and forms, as follows:

(1) Purchases under BPA's generally should be made orally, but a purchase document may be issued if written communications are necessary to ensure that the vendor and the purchaser agree concerning the transaction.

(2) If a purchase document is not issued, the essential elements (e.g., date, vendor, items or services, price, delivery date) shall be recorded on the purchase requisition, in an informal memorandum, or on a form developed locally for the purpose.

(3) If a purchase document is issued, informal correspondence, an authorized purchase form, or a form developed locally for the purpose, may be used.

(4) Documentation of individual purchases under BPA's shall also cite the pertinent purchase requisitions and the accounting and appropriation data.

(5) When delivery is made or the services are performed, the vendor's sales document, delivery document, or invoice may (if it reflects the essential elements) be used for the purpose of recording receipt and acceptance of the items or services. However, if the purchase is assigned to another activity

for administration, receipt and acceptance of supplies or services shall be documented by signature and date on the agency specified form by the authorized Government representative after verification and notation of any exceptions.

**13.205 Review procedures.**

(a) The contracting officer placing orders under a BPA, or the designated representative of the contracting officer, shall review the BPA files at least semiannually to ensure that authorized procedures are being followed.

(b) The contracting officer that entered into the BPA shall—

(1) Ensure that each BPA is reviewed at least annually and, if necessary, updated at that time; and

(2) Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant making new arrangements with different suppliers or modifying existing arrangements.

(c) If an office other than the purchasing office that established a BPA is authorized to make purchases under that BPA, the agency that has jurisdiction over the office authorized to make the purchases shall ensure that the procedures in paragraph (a) above are being followed.

**13.206 Completion of Blanket Purchase Agreements.**

An individual BPA is considered complete when the purchases under it equal its total dollar limitation, if any, or when its stated time period expires.

**SUBPART 13.3—FAST PAYMENT PROCEDURE****13.301 General.**

The fast payment procedure is designed to reduce lead time to consignees and to improve supplier relations by expediting payment for small purchases. The procedure provides for payment for supplies based on the contractor's submission of an invoice that constitutes a representation that—

(a) The supplies have been delivered to a post office, common carrier, or point of first receipt by the Government; and

(b) The contractor agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase agreements.

**13.302 Conditions for use.**

If the conditions in paragraphs 13.302(a) through (c) are present, the fast payment procedure should be used to the maximum extent possible, provided the use is consistent with the other conditions of the purchase. Use of the fast payment procedure would not be indicated, for example, for small purchases by an activity if material being purchased is destined for use at that activity and contract administration will be performed by the purchasing office at that activity. The conditions for use of the fast payment procedure are as follows:

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(a) Individual orders do not exceed \$10,000 for civilian agencies and \$25,000 for DOD, except that executive agencies may establish higher dollar limitations for specified activities or items.

(b) Title to the supplies will vest in the Government (1) upon delivery to a post office or common carrier for mailing or shipment to destination, or (2) upon receipt by the Government if the shipment is by means other than Postal Service or common carrier.

(c) The supplier agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase requirements.

**13.303 Preparation and execution of orders.**

(a) Orders incorporating the fast payment procedure shall be issued on Optional Form 347, Order for Supplies or Services, or other agency authorized purchase order form (but see 13.204(e) for purchases under BPA's). Orders may be either priced or unpriced.

(b) Contracts, purchase orders, or BPA's using the fast payment procedure shall include the following:

(1) A requirement that the supplies be shipped transportation or postage prepaid.

(2) A requirement that invoices be submitted directly to the finance or other office designated in the order, or in the case of unpriced purchase orders, to the contracting officer (see 13.502(c)).

(3) The following statement on consignee's copy: *Consignee's Notification to Purchasing Activity of Non-receipt, Damage, or Nonconformance*. The consignee shall notify the purchasing office promptly after the specified date of delivery of supplies not received, damaged in transit, or not conforming to specifications of the purchase order. Unless extenuating circumstances exist, the notification should be made not later than 60 days after the specified date of delivery.

(4) A requirement that the contractor mark outer shipping containers "FAST PAY".

**13.304 Responsibility for collection of debts.**

The contracting officer shall be primarily responsible for collecting debts resulting from failure of contractors to properly replace, repair, or correct supplies lost, damaged, or not conforming to purchase requirements (see 32.605(b) and 32.606).

**13.305 Contract clause.**

The contracting officer shall insert the clause at 52.213-1, Fast Payment Procedure, in solicitations and contracts when the conditions in 13.302 are applicable and it is intended that the fast payment procedure be used in the contract (in the case of BPA's, the contracting officer may elect to insert the clause either in the BPA or in orders under the BPA).

**SUBPART 13.4—IMPREST FUND****13.401 Definition.**

"Imprest fund," as used in this subpart, means a cash fund of a fixed amount established by an advance of funds, without charge to an appropriation, from an

agency finance or disbursing officer to a duly appointed cashier, for disbursement as needed from time to time in making payment in cash for relatively small purchases.

**13.402 General.**

This subpart prescribes policies and procedures for using imprest funds to make small purchases of supplies or services. Related policies and regulations concerning the establishment of and accounting for imprest funds, including the responsibilities of designated cashiers and alternates, are contained in Part IV of the Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies, Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the agency implementing regulations. Agencies shall also be guided by the Manual of Procedures and Instructions for Cashiers, issued by the Bureau of Financial Operations, Fiscal Service, Department of the Treasury.

**13.403 Agency responsibilities.**

Each agency using imprest funds shall—

(a) Periodically review and determine whether there is continuing need for each fund established, and that amounts of those funds are not in excess of actual needs;

(b) Take prompt action to have imprest funds adjusted to a level commensurate with demonstrated needs whenever circumstances warrant such action; and

(c) Develop and issue appropriate implementing regulations. These regulations shall include (but are not limited to) procedures covering—

(1) Designation of personnel authorized to make purchases using imprest funds; and

(2) Documentation of purchases using imprest funds, including documentation of (i) receipt and acceptance of supplies and services by the Government, (ii) receipt of cash payments by the suppliers, and (iii) cash advances and reimbursements.

**13.404 Conditions for use.**

Imprest funds may be used for small purchases when—

(a) The transaction does not exceed \$150 (\$300 under emergency conditions) or such other limits as have been approved by the Department of the Treasury for an individual agency;

(b) The use of imprest funds is considered to be advantageous to the Government; and

(c) The use of imprest funds for the transaction otherwise complies with any additional conditions established by agencies and with the policies and regulations referenced in 13.402.

**13.405 Procedures.**

(a) Each purchase using imprest funds shall be based upon an authorized purchase requisition.

**13.501**

(b) Normally, orders to suppliers should be placed orally and without soliciting competition if prices are considered reasonable.

(c) Purchases shall be distributed equitably among qualified suppliers (see 13.105).

(d) Prompt payment discounts shall be solicited.

(e) Any agency-authorized purchase order form or Standard Form 1165, Receipt for Cash-Subvoucher, may be used if a written order is considered necessary; e.g., if required by the supplier for discount, tax exemption, or other reasons. If a purchase order is used for this purpose, it shall be endorsed "Payment to be made from Imprest Fund."

(f) The individual authorized to make purchases using imprest funds shall—

(1) Furnish to the imprest fund cashier a copy of the purchase requisition annotated to reflect (i) that an imprest fund purchase has been made, (ii) the unit prices and extensions, (iii) the supplier's name and address, and (iv) the date of anticipated delivery; and

(2) Require the supplier to include with delivery of the supplies an invoice, packing slip, or other sales instrument giving (i) the supplier's name and address, (ii) list and quantity of items, (iii) unit prices and extensions, and (iv) cash discount, if any.

### **SUBPART 13.5—PURCHASE ORDERS**

#### **13.501 General.**

(a) Except as provided under the unpriced purchase order method (see 13.502), purchase orders (1) shall be issued on a fixed-price basis, and (2) shall not contain economic price adjustment or redetermination clauses.

(b) Purchase orders shall include any trade and prompt payment discounts that are offered, consistent with the applicable principles in 14.407-3.

(c) Purchase orders shall specify the quantity of supplies or services ordered (but see Subpart 12.4).

(d) Inspections under small purchases shall be as prescribed in Part 46. Orders generally shall provide that inspection and acceptance will be at destination and source inspection should be specified only if required by Part 46. If inspection and acceptance are to be performed at destination, advance copies of the purchase order shall be furnished to consignee(s) for material receipt purposes. Receiving reports shall be accomplished immediately upon receipt and acceptance of material.

(e) F.o.b. destination shall be specified for supplies to be delivered within the United States, except Alaska and Hawaii, unless there are valid reasons to the contrary.

(f) Each purchase order shall contain a definite calendar date by which delivery of supplies or performance of services are required.

(g) The contracting officer's signature on purchase orders shall be in accordance with 4.201. Facsimile

### **FEDERAL ACQUISITION REGULATION (FAR)**

signature may be used in the production of purchase orders by automated methods.

(h) Distribution of copies of purchase orders and related forms shall be limited to those copies required for essential administration and transmission of contractual information.

#### **13.502 Unpriced purchase orders.**

(a) An unpriced purchase order is an order for supplies or services, the price of which is not established at the time of issuance of the order.

(b) An unpriced purchase order may be used only when—

(1) It is anticipated that the transaction will not exceed the small purchase limit;

(2) It is impractical to obtain pricing in advance of issuance of the purchase order; and

(3) The purchase is for—

(i) Repairs to equipment requiring disassembly to determine the nature and extent of repairs;

(ii) Sole source material for which cost cannot be readily established; or

(iii) Supplies or services for which prices are known to be competitive but exact prices are not known (e.g., miscellaneous repair parts, maintenance agreements).

(c) Unpriced purchase orders may be issued by using written purchase orders or written telecommunications (see 13.506). A realistic monetary limitation, either for each line item or for the total order, shall be placed on each unpriced purchase order (see 13.507(d)). The monetary limitation shall be an obligation subject to adjustment when the firm price is established. The contracting office shall follow-up each order to ensure timely pricing. The contracting officer or the contracting officer's designated representative shall review the invoice price and, if reasonable (see 13.106(c)), process the invoice for payment.

#### **13.503 Obtaining contractor acceptance and modifying purchase orders.**

(a) When it is desired to consummate a binding contract between the parties before the contractor undertakes performance, the contracting officer shall require written acceptance of the purchase order by the contractor.

(b) A purchase order may be modified by use of (1) Standard Form 30, Amendment of Solicitation/Modification of Contract; (2) an agency-designed form or an agency-approved automated format; or (3) if not prohibited by agency regulations, a purchase order form.

(c) Each purchase order modification shall identify the order it modifies and shall contain an appropriate modification number.

(d) Contracting officers need not obtain a contractor's written acceptance of a purchase order modification, unless the written acceptance is—

**PART 13—SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES****13.506**

- (1) Determined by the contracting officer to be necessary to ensure the contractor's compliance with the purchase order as revised; or
- (2) Required by agency regulations.

**13.504 Termination or cancellation of purchase orders.**

(a) If a purchase order that has been accepted in writing by the contractor is to be terminated, the contracting officer shall process the termination action as prescribed by Part 49.

(b) If a purchase order that has not been accepted in writing by the contractor is to be cancelled, the contracting officer shall notify the contractor in writing that the purchase order has been cancelled, request the contractor's written acceptance of the cancellation, and proceed as follows:

(1) If the contractor accepts the cancellation and does not claim that costs were incurred as a result of beginning performance under the purchase order, no further action is required; i.e., the purchase order shall be considered cancelled.

(2) If the contractor does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the contracting officer shall process the termination action as prescribed by Part 49.

**13.505 Purchase order and related forms.****13.505-1 Optional Form (OF) 347, Order for Supplies or Services, and Optional Form 348, Order for Supplies or Services Schedule-Continuation.**

(a) *General.* (1) Optional Form 347 (illustrated in 53.302-347) and Optional Form 348 (illustrated in 53.302-348) are multipurpose forms designed for the following uses:

(i) Negotiated purchases of supplies or services not in excess of the small purchase limit.

(ii) A delivery order for ordering or scheduling deliveries against established contracts or from Government sources of supply.

(iii) A receiving and inspection report.

(iv) An invoice.

(2) Optional Forms 347 and 348, may be used when the agency concerned considers it economical and efficient to do so (also see 13.505-2).

(b) *Clauses.* (1) Clauses generally suitable for most small purchases are incorporated by reference on the reverse of Optional Form 347, (but see 13.507).

(2) Agencies may add (i) other clauses prescribed by the FAR, as appropriate, and (ii) agency clauses, if they do not conflict with clauses prescribed by the FAR and are designated as agency clauses.

**13.505-2 Agency order forms in lieu of Optional Forms 347 and 348.**

(a) Order forms used in lieu of Optional Forms 347 and 348 shall conform insofar as practicable with the forms illustrated in 53.302-347 and 53.302-348.

(b) Agencies using agency order forms in lieu of Optional Form 347 may print on those forms the

clauses they consider to be generally suitable for most of their small purchases. The clauses, however, (1) should include the clauses incorporated by reference on the reverse of Optional Form 347, (2) may include clauses not listed on the reverse of Optional Form 347 that are prescribed by the FAR, and (3) may include agency clauses, if they do not conflict with clauses prescribed by the FAR and are designated as agency clauses (see 13.507).

**13.505-3 Standard Form 44, Purchase Order-Invoice-Voucher.**

(a) Standard Form 44, Purchase Order-Invoice-Voucher (illustrated in 53.301-44) is a pocket-size purchase order form designed primarily for on-the-spot, over-the-counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities. It is a multipurpose form that can be used as a purchase order, receiving report, invoice, and public voucher.

(b) Standard Form 44 may be used if all of the following conditions are satisfied:

(1) Except for purchases made under public exigency circumstances, the amount of the purchase is not over \$2,500. Agencies may establish higher dollar limitations for specific activities or items.

(2) The supplies or services are immediately available.

(3) One delivery and one payment will be made.

(4) Its use is determined to be more economical and efficient than use of other small purchase methods.

(c) General procedural instructions governing the use of Standard Form 44 are printed on the form and on the inside front cover of each book of forms.

(d) Agencies shall provide adequate safeguards regarding the control of forms and accounting for purchases.

**13.506 Purchase orders via written telecommunications.**

(a) A written telecommunicated purchase order is an order for supplies or services that is electrically transmitted to a supplier and is not signed by the contracting officer.

(b) A written telecommunicated purchase order may be used only when all of the following conditions are present:

(1) Its use is more advantageous to the Government than any other small purchase technique.

(2) An unsigned transmitted order is acceptable to the supplier.

(3) The order is approved by the contracting officer before its transmission.

(4) The order does not require written acceptance by the supplier.

(5) The purchasing office retains all contract administration functions.

(c) When a written telecommunicated purchase order is used—

**13.507****FEDERAL ACQUISITION REGULATION (FAR)**

(1) Clauses appropriate to the purchase order shall be incorporated by reference in the transmitted order;

(2) Administrative information that is not needed by the supplier should not be transmitted but should be placed only on copies intended for internal distribution;

(3) The same distribution shall be made of the transmitted order as is made of written purchase orders; and

(4) No purchase order form shall be issued.

(d) A written telecommunicated purchase order may be unpriced if it meets the conditions in 13.502.

**13.507 Clauses.**

(a) Except as provided in paragraph (b) below, each purchase order (and each purchase order modification (see 13.503)) shall incorporate all clauses required for

or applicable to the particular acquisition. The clauses listed on Optional Form 347, are not necessarily all that are required.

(b) Since there is, for all practical purposes, simultaneous placing of purchase orders on Standard Form 44 and delivery of the items ordered, clauses are not required for purchases using this form.

(c) The contracting officer shall insert the clause at 52.213-2, Invoices, in purchase orders that authorize advance payments (see 31 U.S.C. 530) for subscriptions or other charges for newspapers, magazines, periodicals, or other publications (i.e., any publication printed, microfilmed, photocopied, or magnetically or otherwise recorded for auditory or visual usage).

(d) The contracting officer shall insert the clause at 52.213-3, Notice to Supplier, in unpriced purchase orders.

## PART 53—FORMS

53.301-36

CONTINUATION SHEET		REFERENCE NO. OF DOCUMENT BEING CONTINUED		PAGE	OF
NAME OF OFFEROR OR CONTRACTOR					
ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT

53.301-44

FEDERAL ACQUISITION REGULATION (FAR)

**U.S. GOVERNMENT**

**PURCHASE ORDER—INVOICE—VOUCHER**

Anyone who finds this booklet, please notify:

OFFICE:

TELEPHONE NUMBER:

NSN 7540-01-152-8068  
PREVIOUS EDITION USABLE  
44-108

STANDARD FORM 44 (Rev. 10-63)  
PREScribed BY GSA  
FAR (48 CFR) 53.213(c)

## INSTRUCTIONS

*(This form is for official Government use only)*

## 1. Filling in the Form

(a) All copies of the form must be legible. To insure legibility, indelible pencil or ball-point pen should be used. SELLER'S NAME AND ADDRESS MUST BE PRINTED.

(b) Items ordered will be individually listed. General descriptions such as "hardware" are not acceptable. Show discount terms.

(c) Enter project reference or other identifying description in space captioned "PURPOSE." Also, enter proper accounting information, if known.

## 2. Distributing Copies

Copy No. 1—Give to seller for use as the invoice or as an attachment to his commercial invoice.

Copy No. 2—Give to seller for use as a record of the order.

Copy No. 3—

(1) On over-the-counter transactions where delivery has been made, complete receiving report section and forward this copy to the proper administrative office.

(2) On other than completed over-the-counter transactions, forward this copy to location specified for delivery. (Upon delivery, receiving report section is to be completed and this copy then forwarded to the proper administrative office.)

Copy No. 4—Retain in the book, unless otherwise instructed.

### 3. When Paying Cash at Time of Purchase

(a) Enter the amount of cash paid and obtain seller's signature in the space provided in the Seller section of Copy No. 1. If seller prefers to provide a commercial cash receipt, attach it to Copy No. 1 and check the "paid in cash" block at the bottom of the form.

(b) Distribution of copies when payment is by cash is the same as described above, except that Copy No. 1 is retained by Government representative when cash payment is made. Copy No. 1 is used thereafter in accordance with agency instructions pertaining to handling receipts for cash payment.

U.S. GOVERNMENT

PURCHASE ORDER—INVOICE—VOUCHER

DATE OF ORDER

ORDER NO.

PRINT NAME AND ADDRESS OF SELLER (Number, Street, City, and State)\*

P  
A  
Y  
E  
E

FURNISH SUPPLIES OR SERVICES TO (Name and address)\*

SUPPLIES OR SERVICES

QUANTITY

UNIT PRICE

AMOUNT

AGENCY NAME AND BILLING ADDRESS\*

TOTAL

DISCOUNT TERMS

... % ... DAYS

DATE INVOICE RECEIVED

ORDERED BY (Signature and title)

PURPOSE AND ACCOUNTING DATA

PURCHASER—To sign below for over-the-counter delivery of items

RECEIVED BY

TITLE

DATE

SELLER—Please read instructions on Copy 2

PAYMENT RECEIVED \$.....

PAYMENT REQUESTED \$.....

NO FURTHER INVOICE NEED BE SUBMITTED

SELLER

DATE

(Signature)

I certify that this account is correct and proper  
or payment in the amount of

DIFFERENCES

ACCOUNT VERIFIED:

CORRECT FOR

BY

(Authorizing certifying officer)

PAID BY

CASH

DATE PAID

VOUCHER NO.

(Check No.)

PLEASE INCLUDE

1. SELLER'S INVOICE

ZIP CODE

(See Instructions on Copy 2)

STANDARD FORM 44a (Rev. 10-63)

PRESCRIBED BY GSA,

FAR (48 CFR) 53.213(c)

53.301-44

## FEDERAL ACQUISITION REGULATION (FAR)

INSTRUCTIONS TO SELLER  
After satisfactory identification of the Government representative presenting this purchase order, verify the itemization, including quantity, unit price, amount, total and discount sections.

This form is so designed that Copy 1 may be used as a cash payment receipt or as your invoice by completing, as appropriate, either the Payment Received or Payment Request blocks and signing the Signature block.

If you would rather submit your own invoice, DO NOT SIGN COPY 1, but attach it unsigned to your invoice to expedite verification and processing for payment. Payment Request blocks and signing the Seller Section.

**2. SELLER'S COPY OF ORDER** S-100

**2. SELLER'S COPY OF ORDER**

STANDARD FORM 44b (Rev. 10-83)  
PRESCRIBED BY GSA.  
FAR (48 CFR) 53.213(c)

**3. RECEIVING REPORT—  
ACCOUNTING COPY**

**STANDARD FORM 44c (Rev. 10-83)  
PRESCRIBED BY GSA.  
FAR (48 CFR) 53.213(c)**

## PART 53—FORMS

53.301-44

53.301-98

## FEDERAL ACQUISITION REGULATION (FAR)

<b>STANDARD FORM 98</b> Rev. Feb. 1973 <b>U.S. DEPARTMENT OF LABOR</b> <b>EMPLOYMENT STANDARDS</b> <b>ADMINISTRATION</b>	<b>NOTICE OF INTENTION TO MAKE</b> <b>A SERVICE CONTRACT AND RESPONSE TO NOTICE</b> <i>(See Instructions on Reverse)</i>	<b>1. NOTICE NO.</b>									
<b>MAIL TO:</b>  <div style="text-align: center; margin-left: 100px;">           Administrator            Wage and Hour Division            U.S. Department of Labor            Washington, D.C. 20210         </div>		<b>2. Estimated solicitation date (use numerals)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Month</td> <td style="width: 33%;">Day</td> <td style="width: 33%;">Year</td> </tr> </table> <b>3. Estimated date bids or proposals to be opened or negotiations begun (use numerals)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Month</td> <td style="width: 33%;">Day</td> <td style="width: 33%;">Year</td> </tr> </table> <b>4. Date contract performance to begin (use numerals)</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Month</td> <td style="width: 33%;">Day</td> <td style="width: 33%;">Year</td> </tr> </table>	Month	Day	Year	Month	Day	Year	Month	Day	Year
Month	Day	Year									
Month	Day	Year									
Month	Day	Year									
<b>5. PLACE(S) OF PERFORMANCE</b>		<b>6. SERVICES TO BE PERFORMED (describe)</b>									
<b>7. INFORMATION ABOUT PERFORMANCE</b> <p>A. <input type="checkbox"/> Services now performed by a contractor      B. <input type="checkbox"/> Services now performed by Federal employees      C. <input type="checkbox"/> Services not presently being performed</p>											
<b>8. IF BOX A IN ITEM 7 IS MARKED, COMPLETE ITEM 8 AS APPLICABLE</b> <p>a. Name and address of incumbent contractor</p>											
<p>b. Number(s) of any wage determination(s) in incumbent's contract</p>											
<p>c. Name(s) of union(s) if services are being performed under collective bargaining agreement(s). <i>Important:</i> Attach copies of current applicable collective bargaining agreements</p>											
<b>RESPONSE TO NOTICE</b> <i>(by Department of Labor)</i> <p>A. <input type="checkbox"/> The attached wage determination(s) listed below apply to procurement.</p> <hr/> <hr/> <p>B. <input type="checkbox"/> As of this date, no wage determination applicable to the specified locality and classes of employees is in effect.</p> <p>C. <input type="checkbox"/> From information supplied, the Service Contract Act does not apply (see attached explanation).</p> <p>D. <input type="checkbox"/> Notice returned for additional information (see attached explanation).</p>											
<b>9. OFFICIAL SUBMITTING NOTICE</b> SIGNED: _____  TYPE OR PRINT NAME: _____  10. TYPE OR PRINT NAME AND TITLE OF PERSON TO WHOM RESPONSE IS TO BE SENT AND NAME AND ADDRESS OF DEPARTMENT OR AGENCY, BUREAU, DIVISION, ETC.  <div style="text-align: center; margin-left: 100px;"> </div>											
Signed: _____ <i>(U.S. Department of Labor)</i> <hr/> (Date)											

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